

CORY GARDNER  
4TH DISTRICT, COLORADO

ENERGY AND COMMERCE COMMITTEE  
ENERGY AND POWER SUBCOMMITTEE  
ENVIRONMENT AND ECONOMY SUBCOMMITTEE  
OVERSIGHT AND INVESTIGATIONS SUBCOMMITTEE

**Congress of the United States**  
**House of Representatives**  
Washington, DC 20515-0604

April 18, 2012

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Honorable Julius Genachowski  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street, S.W.  
Washington, D.C. 20554

**0491**

Dear Chairman Genachowski:

It is of utmost importance to reform the Universal Service Fund (USF) and intercarrier compensation system (ICC) to ensure fiscal responsibility while providing much needed services to rural communities. These programs have allowed rural communities to connect with urban centers when they would not have otherwise been able to do so, and it is important that the USF continue to provide connectivity to remote areas which would be unserved without it. Ensuring that these communities are properly connected plays a vital role in economic security and job creation, particularly for small, fragile economies. Broadband connectivity to rural communities will foster local and national economic growth as well as competitiveness in the global market.


We support efforts by the FCC that carefully and responsibly provide all Americans access to the full level of services in broadband technology. However, we are concerned about the processes the FCC has used to reform USF, especially when regulatory transparency is so important to broadband investment in rural communities in Colorado. When reforming something as important as this to rural communities, we ask that the FCC move forward with openness and transparency.

Last month, the House of Representatives overwhelmingly passed the FCC Process Reform Act to improve the processes of the agency. In response, the FCC should reflect on concerns regarding the most recent FCC order and avoid last-minute changes, improve transparency, and enable providers to see the proposed rules and analyze their impact on investment. We urge the FCC to provide meaningful opportunities for rural communications providers to participate in discussions on new reforms, and we ask that you give them adequate time to comply with any orders that have the potential to affect access for rural communities.

Sincerely,



Cory Gardner  
Member of Congress (CO-4)



Scott Tipton  
Member of Congress (CO-3)



## FEDERAL COMMUNICATIONS COMMISSION

August 15, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Cory Gardner  
U.S. House of Representatives  
213 Cannon House Office Building  
Washington, D.C. 20515

Dear Congressman Gardner:

Thank you for your letter regarding the Commission's process to reform the Universal Service Fund (USF) and intercarrier compensation (ICC) system. I want to assure you that the Commission will continue to work with all stakeholders, including smaller rate-of-return carriers, throughout the reform process. Your letter will be included in the record of the proceeding and considered by the Commission.

As you indicate, the Commission's unanimous overhaul of the Universal Service program focused on three key goals: delivering broadband to the millions of unserved Americans, requiring fiscal responsibility and accountability in USF spending to ensure the long-term sustainability of the Fund, and providing transition periods that recognize business realities.

These reforms will put America on the path to universal broadband and advanced mobile coverage – critical steps to create new jobs in rural America and across the nation. In particular, the creation of the Connect America Fund (CAF) will accelerate broadband build-out to the 19 million Americans who currently have no access to robust broadband infrastructure. This will create jobs and economic opportunity for small and large businesses in rural America, as well as construction workers and salespeople. Increased broadband availability in rural areas will also help schools and teachers and provide telemedicine opportunities for doctors and health care providers.

The Commission's implementation of the *USF/ICC Transformation Order* continues to be guided by these principles, including making adjustments to the *Order* as appropriate. For instance, on April 25, 2012, the Commission extended the transition for originating intercarrier compensation payments, addressing a concern raised by a number of smaller carriers. Likewise, in the Wireline Competition Bureau's April *Benchmarks Order*, the Bureau revised the initially proposed high-cost loop support benchmark categories to respond to concerns raised by smaller carriers. The revised methodology accounts for several additional drivers of cost in comparing spending between carriers; it takes recent investment into consideration; it extends the transition period to give carriers more time to adjust; and it provides a streamlined process to address any concerns about the accuracy of carriers' data. The Commission has also extended a number of reporting deadlines for smaller carriers.

Even as we continue to make necessary adjustments, in order to extend broadband to unserved rural communities while ensuring fiscal responsibility it is important to keep moving forward with implementation of the Commission's reforms. As we do so, the Commission will continue to run a fair, open process in which the valid concerns of stakeholders are addressed – working closely with affected carriers to ensure that residents of the nation's rural and high-cost areas receive the quality voice and broadband services that all Americans need. I appreciate your interest in this very important matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in dark ink, consisting of a stylized 'J' followed by a horizontal line and a small dot.

Julius Genachowski





## FEDERAL COMMUNICATIONS COMMISSION

August 15, 2012

JULIUS GENACHOWSKI  
CHAIRMAN

The Honorable Scott Tipton  
U.S. House of Representatives  
218 Cannon House Office Building  
Washington, D.C. 20515

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Sincerely,

A handwritten signature in black ink, appearing to be 'J. Genachowski', with a stylized flourish at the end.

Julius Genachowski